

6 WAGES AND OTHER KINDS OF INCOME

A. Definition of Wages

The definition and treatment of wages and other kinds of income can vary, depending on whether they apply to the base period or the benefit year.

Base period wages are the wages for covered employment **paid** during the claimant's base period that are used to determine whether a claimant qualifies for unemployment benefits. If the claimant does qualify, these wages are also used to determine how much the claimant is entitled to receive during his/her benefit year. (See Part 3 for more information about base period wages.)

Benefit year wages are the wages that a claimant earns during his or her benefit year while filing claims for partial unemployment benefits. They include wages for both covered and excluded employment.

When the claimant files a weekly claim certification for a benefit check, (s)he must report the gross amount of wages **earned** from all employers for all work performed in that week. The wages must be reported when earned; it is immaterial when or if the wages are paid.

In addition to wages earned for work performed, claimants must also report any holiday, vacation and/or dismissal/severance pay assigned to the week being claimed. These payments, as well as other types of income, are treated as wages when specific requirements are met. The requirements for each type of payment are listed in the chart below.

Taxable wages are wages for covered employment that must be reported to the Department and on which UI taxes must be paid. See Section 2 for more information about taxable wages.

B. Treatment of Wages and Other Types of Income in the Base Period and the Benefit Year

The following chart provides a detailed explanation of what types of income/payments constitute wages for both the base period and the benefit year.

Type of Pay	When Treated as Base Period Wages	When Treated as Benefit Year Wages
Wages for work performed	<p>If PAID in the base period.</p> <p>Includes: Tips Bonuses* Incentives Overtime Commissions Value of "payment in kind" (goods or services in lieu of wages) "Reasonable value" of services performed by an officer of an S Corporation if a lesser amount was actually paid.</p> <p>Base period wages also include those wages that legally should have been paid in the base period but which were not paid as the result of a controversy, insolvency proceeding under Chapter 128 or a bankruptcy proceeding under 11 USC 101.</p>	<p>If EARNED in a week being claimed.</p> <p>Includes: Tips Bonuses* Incentives Overtime Commissions Value of "payment in kind" (goods or services in lieu of wages) "Reasonable value" of services performed by an officer of an S Corporation if no wages or a lesser amount was actually paid.</p> <p>*i.e. Bonuses for productivity, attendance, length of service, profit sharing, etc.</p>

**** Chart is continued on the next three pages. ****

Type of Pay	When Treated as Base Period Wages	When Treated as Benefit Year Wages
Apprenticeship Pay	Always included if paid in the base period.	<p>Always treated as wages and reportable in the week the wages were earned.</p> <p>If the employee is paid his/her regular hourly rate of pay for time attending training, the wages are earned the week(s) of training.</p> <p>If the employee receives an increased hourly rate of pay for hours of actual work as the means to pay the employee for training ("add-on" wages), the wages are earned in the week the employee works, not the week(s) the employee is in training.</p> <p>If the "add-on" wages are only payable if the employee completes the training, the wages are earned the last week of training.</p>
Back Pay	<p>Retroactive wage adjustments for work performed are included as base period wages in the quarter in which they were paid.</p> <p>However, a back payment of wages awarded for a period in which no work was performed is included as base period wages in the quarter in which they would have been paid during the base period, but only if:</p> <ul style="list-style-type: none"> the back pay was awarded under state law, federal law or under a collective bargaining agreement, and the payment for the back pay is made within 104 weeks after the start of the earliest week in the settlement or award. <p>A settlement in lieu of back pay or an award that is for punitive damages or damages other than loss of pay, having no clear or direct relationship to the work and wages that would have been earned during the period in question is not considered back pay wages.</p>	<p>Retroactive wage adjustments for work performed are reportable wages for the week in which they were earned.</p> <p>However, a back payment of wages awarded for a period in which no work was performed is treated as wages for the week the work would have been performed, but only if:</p> <ul style="list-style-type: none"> the back pay was awarded under state or federal law, or under a collective bargaining agreement, and the payment for the back pay is made within 104 weeks after the start of the earliest week in the settlement or award.
Cafeteria Plans under S.125(b)	Cash options always included if paid in the base period. Pre-tax salary deductions and payments are not reportable for tax purposes but can be included as base period wages upon request from the claimant, so employers must keep an accurate record of these deductions/payments.	Always treated as wages and reportable in the week the wages were earned from which the deductions were made.

Type of Pay	When Treated as Base Period Wages	When Treated as Benefit Year Wages
Elected and Appointed Officials Pay (Government Units and Indian Tribes)	Not included as base period wages.	<p>Always treated as wages and reportable in the week the wages were earned.</p> <p>If paid a monthly salary:</p> <ul style="list-style-type: none"> multiply the monthly amount by .2308 to determine the amount to report each week. <p>If paid a yearly salary:</p> <ul style="list-style-type: none"> divide the yearly amount by 52 to determine the amount to report each week.
401K Payroll Deductions	Always included if deducted from wages paid in the base period.	Always treated as wages and reportable in the week the wages were earned from which the deductions were made.
401K Pension Payments	See Pension Payments	
Holiday Pay	Always included if paid in the base period.	<p>Treated as wages for a given week only if it is “definitely payable” no later than Wednesday of the week following the holiday, except for holidays that fall during the week that includes Christmas Day. For holidays that fall in the week that includes Christmas Day, the holiday pay is treated as wages only if it is definitely payable within 9 days of the week that includes the holiday.</p> <p>“Definitely payable” means that the claimant’s right to such pay is final.</p> <p>Holiday pay includes pay for individual or personal holidays, in addition to recognized legal holidays.</p>
On-Call and Show-up Pay	Always included if paid in the base period.	Always treated as wages and reportable in the week the wages were earned.
Pension Payments (Including 401K Pension Payments)	Not included as base period wages.	Never treated as wages. However, benefits can be reduced as the result of a pension payment. See Part 7, Item N for more information about this eligibility issue.
Room and Board	Treated as base period wages unless provided by the employer because it is more convenient and efficient for the claimant to live on-site.	Treated as wages for a given week unless provided by the employer because it is more convenient and efficient for the claimant to live on-site.
Self-Employment Income	Not included as base period wages.	Not reportable as wages. However, self-employment can raise an eligibility issue. See Part 7, Item T for more information about this eligibility issue.

Type of Pay	When Treated as Base Period Wages	When Treated as Benefit Year Wages
Sick Pay	Treated as base period wages only if: <ul style="list-style-type: none"> it is paid directly by the employer to the claimant, not by an insurance carrier, and it is paid at the claimant's usual rate of pay. 	Treated as wages for a given week if: <ul style="list-style-type: none"> it is paid directly by the employer to the claimant, not by an insurance carrier, and it is paid at the claimant's usual rate of pay.
Social Security	Not included as base period wages.	Never treated as wages and do not reduce benefits. See Part 7, Item N for more information.
Vacation and Dismissal (Severance) Pay	Always included if paid in the base period.	Treated as wages for a given week if: <ul style="list-style-type: none"> the pay was definitely allocated or assigned to a particular week and definitely payable (so that nothing could prevent payment) by the close of that week; and the pay was assigned at the claimant's approximate weekly wage rate or at a rate set forth by union agreement or by a company practice which has been consistently used; and the claimant had due notice of the allocation (i.e., by letter, posted notice, union agreement, etc.) by the close of the week.
Worker's Compensation	<p>Wages that would have been paid in the base period but were not paid due to a work-related injury which resulted in the payment of <u>temporary total or temporary partial disability payments</u> under Wisconsin or federal law are included as base period wages.</p> <p>(NOTE: Permanent partial disability worker's compensation payments are not included as base period wages.)</p> <p>NOTE: If you are reporting a claimant's receipt of worker's compensation, please provide the period covered, along with the name of the insurance company responsible for the payment.</p>	<p>Worker's compensation payments made under Wisconsin or federal law have the following effect on a week being claimed for unemployment benefits:</p> <ul style="list-style-type: none"> If the claimant receives a temporary total disability worker's compensation payment for a whole week, the claimant is not eligible for any UI payment for that week. If the claimant receives a temporary total or temporary partial disability worker's compensation payment for part of a week, this payment is treated as wages.

C. Determining the Amount of Benefits to Pay When the Claimant Reports Wages and/or Other Income on a Weekly Claim for a Benefit Check

The department must add all benefit year wages for a given calendar week together to determine the amount of unemployment benefits payable to the claimant for that week. A calendar week for UI purposes always starts on Sunday and ends on Saturday. If a shift that is started on Saturday is not finished until Sunday, all wages earned during that shift are reportable to the calendar week that includes the Saturday.

If the claimant **worked** a total of 40 or more hours for one or more employers in a given week, no benefits are payable for that week, regardless of the amount of wages earned.

If the claimant **worked, was paid or could have been paid for a total of 35 hours by an employer who paid at least 80% of his/her base period wages**, no benefits are payable for that week, regardless of the amount that was or could have been paid.

Any other claimant who reports wages and/or other types of income on a weekly claim for a benefit check may be entitled to full, reduced or no benefits for that week, depending on the total amount of wages earned and other payments to be treated as wages for the week. The amount of benefits payable for a week of partial unemployment is computed by applying the following “**partial wage formula**”:

1. Subtract \$30 from the gross wages.
2. Multiply the remainder by .67 (67%).
3. Subtract the product (including cents) from the claimant's weekly benefit rate.
4. Round the remainder down to the nearest whole dollar. This is the amount of partial UI benefits payable for the week.

NOTE: The smallest UI check that we will pay is \$5, so if the calculation results in an amount that is less than \$5, no payment is made.

Example

Weekly Benefit Rate (WBR)	= \$200.00
Gross Wages	= \$250.00
Minus \$30.00	= \$220.00
Multiplied by .67	= \$147.40
WBR minus \$147.40	= \$52.60
Round down to nearest dollar	= \$52.00

\$52.00 is the amount of benefits payable for the week.

The chart on the next page shows the highest amount (gross earnings) a claimant can earn in a week and still qualify for a minimum UI payment (\$5.00) using the formula explained above. This amount is called the “maximum weekly earnings” amount. The chart shows the maximum earnings amount for each potential benefit rate.

MAXIMUM WEEKLY EARNINGS CHART

<u>WEEKLY BENEFIT RATE</u>	<u>MAXIMUM EARNINGS</u>	<u>WEEKLY BENEFIT RATE</u>	<u>MAXIMUM EARNINGS</u>	<u>WEEKLY BENEFIT RATE</u>	<u>MAXIMUM EARNINGS</u>	<u>WEEKLY BENEFIT RATE</u>	<u>MAXIMUM EARNINGS</u>
51*	98.66	128	213.58	205	328.51	282	443.44
52	100.15	129	215.08	206	330.00	283	444.93
53**	101.64	130	216.57	207	331.49	284	446.42
54	103.14	131	218.06	208	332.99	285	447.91
55	104.63	132	219.55	209	334.48	286	449.41
56	106.12	133	221.05	210	335.97	287	450.90
57	107.61	134	222.54	211	337.47	288	452.39
58	109.11	135	224.03	212	338.96	289	453.88
59	110.60	136	225.52	213	340.45	290	455.38
60	112.09	137	227.02	214	341.94	291	456.87
61	113.58	138	228.51	215	343.44	292	458.36
62	115.08	139	230.00	216	344.93	293	459.85
63	116.57	140	231.49	217	346.42	294	461.35
64	118.06	141	232.99	218	347.91	295	462.84
65	119.55	142	234.48	219	349.41	296	464.33
66	121.05	143	235.97	220	350.90	297	465.82
67	122.54	144	237.47	221	352.39	298	467.32
68	124.03	145	238.96	222	353.88	299	468.81
69	125.52	146	240.45	223	355.38	300	470.30
70	127.02	147	241.94	224	356.87	301	471.79
71	128.51	148	243.44	225	358.36	302	473.29
72	130.00	149	244.93	226	359.85	303	474.78
73	131.49	150	246.42	227	361.35	304	476.27
74	132.99	151	247.91	228	362.84	305	477.76
75	134.48	152	249.41	229	364.33	306	479.26
76	135.97	153	250.90	230	365.82	307	480.75
77	137.47	154	252.39	231	367.32	308	482.24
78	138.96	155	253.88	232	368.81	309	483.73
79	140.45	156	255.38	233	370.30	310	485.23
80	141.94	157	256.87	234	371.79	311	486.72
81	143.44	158	258.36	235	373.29	312	488.21
82	144.93	159	259.85	236	374.78	313	489.70
83	146.42	160	261.35	237	376.27	314	491.20
84	147.91	161	262.84	238	377.76	315	492.69
85	149.41	162	264.33	239	379.26	316	494.18
86	150.90	163	265.82	240	380.75	317	495.67
87	152.39	164	267.32	241	382.24	318	497.17
88	153.88	165	268.81	242	383.73	319	498.66
89	155.38	166	270.30	243	385.23	320	500.15
90	156.87	167	271.79	244	386.72	321	501.64
91	158.36	168	273.29	245	388.21	322	503.14
92	159.85	169	274.78	246	389.70	323	504.63
93	161.35	170	276.27	247	391.20	324	506.12
94	162.84	171	277.76	248	392.69	325	507.61
95	164.33	172	279.26	249	394.18	326	509.11
96	165.82	173	280.75	250	395.17	327	510.60
97	167.32	174	282.24	251	397.17	328	512.09
98	168.81	175	283.73	252	398.66	329	513.58
99	170.30	176	285.23	253	400.15	330	515.08
100	171.79	177	286.72	254	401.64	331	516.57
101	173.29	178	288.21	255	403.14	332	518.06
102	174.78	179	289.70	256	404.63	333	519.55
103	176.27	180	291.20	257	406.12	334	521.05
104	177.76	181	292.69	258	407.61	335	522.54
105	179.26	182	294.18	259	409.11	336	524.03
106	180.75	183	295.67	260	410.60	337	525.52
107	182.24	184	297.17	261	412.09	338	527.02
108	183.73	185	298.66	262	413.58	339	528.51
109	185.23	186	300.15	263	415.08	340	530.00
110	186.72	187	301.64	264	416.57	341*	531.49
111	188.21	188	303.14	265	418.06	342	532.99
112	189.70	189	304.63	266	419.55	343	534.48
113	191.20	190	306.12	267	421.05	344	535.97
114	192.69	191	307.61	268	422.54	345	537.47
115	194.18	192	309.11	269	424.03	346	538.96
116	195.67	193	310.60	270	425.52	347	540.45
117	197.17	194	312.09	271	427.02	348	541.94
118	198.66	195	313.58	272	428.51	349	543.44
119	200.15	196	315.08	273	430.00	350	544.93
120	201.64	197	316.57	274	431.49	351	546.42
121	203.14	198	318.06	275	432.99	352	547.91
122	204.63	199	319.55	276	434.48	353	549.41
123	206.12	200	321.05	277	435.97	354	550.90
124	207.61	201	322.54	278	437.47	355**	552.39
125	209.11	202	324.03	279	438.96		
126	210.60	203	325.52	280	440.45		
127	212.09	204	327.02	281	441.94		

* Minimum and Maximum weekly benefit rates effective 01/06

** Minimum and Maximum weekly benefit rates effective 02/07